

AD A013677

12

AN EXPERIMENTAL TEST OF THREE CHOICE SHIFT HYPOTHESES

John Keith Murnighan

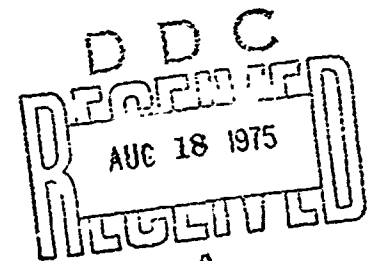
and

Carl H. Castore

Purdue University

TECHNICAL REPORT NO. 13

April 1974



Prepared in connection with research under the Office of Naval Research Organizational Effectiveness Research Programs, Contract No. N00014-67-A-0226; Carl H. Castore, Principal Investigator.

Reproduction, translation, publication and disposal in whole or in part by or for the United States Government is permitted.

This document has been approved for public release and sale, its distribution is unlimited.

/

A

UNCLASSIFIED

Security Classification

DOCUMENT CONTROL DATA - P&D

(Security classification of title, body of abstract and indexing, when not entered, shall be entered when the overall report is classified)

1. ORIGINATING ACTIVITY (Corporate author) Purdue University (Castore)		2a. REPORT SECURITY CLASSIFICATION UNCLASSIFIED	
		2b. GROUP	
3. REPORT TITLE (6) An Experimental Test of Three Choice Shift Hypotheses. ✓			
4. DESCRIPTIVE NOTES (Type of report and inclusive dates) (9) Test in ...			
5. AUTHOR(S) (Last name, first name, initial) (12) John K. Murnighan Carl H. Castore (14) TR-13			
6. REPORT DATE		7a. TOTAL NO. OF PAGES 14	7b. NO. OF REFS 11
8a. CONTRACT OR GRANT NO. (15) N00014-67-A-0226 ✓ PROJECT NO. (12) 1167 14 Apr 13		9a. ORIGINATOR'S REPORT NUMBER(S) Technical Report #13 ✓	
		9b. OTHER REPORT NO(S) (Any other numbers that may be assigned this report)	
10. AVAILABILITY/LIMITATION NOTICES This document has been approved for public release and sale, its distribution is unlimited.			
11. SUPPLEMENTARY NOTES		12. SPONSORING MILITARY ACTIVITY Office of Naval Research Code 452 Organizational Eff. Res. Programs.	
13. ABSTRACT X The present experiment pitted three choice shift hypotheses against one another in an attempt to eliminate one or more of the hypotheses and find support for those remaining. Subjects responded three times to the twelve CDQ items, once as a pretest, and twice following presentation of homogenous sets of three arguments which advocated either a risky or a cautious position. The risk-as-value, relevant arguments, and conformity-attitude change hypotheses generated three separate predictions for the subjects' responses. Results mirrored the prediction of the relevant arguments hypothesis: New information, whether it is contained in cautious or risky arguments, caused a shift toward the type of argument presented. The risk-as-value and the conformity-attitude change hypotheses could not explain the present data. ↑			

DD FORM 1473

1 JAN 64

UNCLASSIFIED 291 650
Security Classification

KEY WORDS	LINK A		LINK B		LINK C	
	ROLE	AT	ROLE	AT	ROLE	AT
group decision making risky shift preference change						

Murnighan, J. K.

AN EXPERIMENTAL TEST OF THREE CHOICE SHIFT HYPOTHESES

by

John Keith Murnighan and Carl H. Castore

Purdue University

Research on the risky shift (or choice shift) phenomenon has recently led to an impasse where several hypotheses have been proposed but where none stands out as the most plausible. Recently Pruitt (1971) has argued that experimental tests are needed to eliminate one or more hypothesis while presenting strong evidence for those hypotheses which remain.

The present study is an attempt to pit three recent hypotheses against one another. The risk-as-value hypothesis (Brown, 1975; Madaras and Bem, 1968; Pruitt, 1968) states that a choice shift depends upon two assumptions: 1) risk is valued in our culture in most situations, and 2) social comparison processes operate when a group convenes to make a decision or discuss an issue. For situations eliciting a value for risk, individuals hope to appear at least as risky as other group members. Individuals who find themselves in a group of people who have advocated a riskier position than their own shift toward risk, causing the average for the group as a whole to shift toward risk. For situations eliciting a value for caution, the same processes apply in the opposite direction and cause an apparent group shift toward caution. Several studies (e.g., Levinger and Schneider, 1969; Wallach and Wing, 1968) have supported these assumptions.

The second hypothesis, presented by Vinokur (1971), also assumes risk as a cultural value in most situations. Instead of assuming the existence of social comparison processes, however, the relevant arguments hypothesis assumes that information in the group discussion is most often information supporting the risky alternative. This information, if it is new, contributes to a group's shift toward risk in most situations. The converse holds true in situations which elicit a value for caution.

The final hypothesis to be tested in the present experiment is the conformity-attitude change hypothesis presented by Castore and Roberts (1972). This hypothesis, borrowing from Sherif's social judgement-involvement model (Sherif, Sherif, and Nebergall, 1965), assumes that the individual who is risky is also highly committed. This individual is normally the most influential group member during the group's discussion, and elicits conformity and attitude change among the other group members toward his risky position.

Figure 1 indicates the general types of individual risk preference changes which would be anticipated for Choice Dilemma Questionnaire (CDQ) type items (Korn and Wallach, 1964) following exposure to a series of risky or cautious arguments under the foregoing three hypotheses.

Insert Figure 1 about here

These predictions may be summarized as follows:

- 1) Risk-as-Value Hypothesis: For the risk-oriented items, groups should shift toward risk after hearing risky arguments

and should not shift after hearing cautious arguments.

The reverse holds for the two caution-oriented items.

2) Relevant Arguments Hypothesis: New information, whether it is contained in cautious or risky arguments, should cause a shift toward the type of argument presented.

3) Conformity-Attitude Change Hypothesis: Both cautious and risky arguments should change the preferences of the group, with risky arguments causing a greater shift.

METHOD

Subjects. The subjects were 68 undergraduates in the introductory psychology class at a large Midwestern university. Their participation fulfilled part of a course requirement.

Procedure. Subjects responded to the CDQ on a ten-point scale, from 1 chance in 10 through 9 chances in 10, including an opportunity to respond that the risky alternative should not be taken, regardless of the odds. (This response was scored as 10 chances in 10). Following their initial responses, subjects were presented with the first set of arguments. The arguments were homogeneous with respect to the position they advocated (i.e., all risky, or all cautious). Each set included three arguments presented by three different individuals. Subjects were told that these arguments had been tape recorded in a previous experiment and had been selected to represent the responses of three average subjects. (Actually, the arguments had been read from a script by confederates of the experimenter.) Each set advocated 1, 2, and 3 chances in 10 (risk arguments) or 7, 8, and 9 chances in 10 (caution arguments). Following

presentation of the argument set for each item, subjects responded as to their risk preferences a second time. The final stage of the experiment duplicated the previous stage, in that a set of three homogeneous arguments was again presented to the subjects before they reevaluated their risk preferences.

Design. The arguments were presented so that each subject heard six risk argument sets and six caution argument sets, during each phase of the experiment. Subjects also received each of the four possible argument sequences (risk-risk, risk-caution, caution-risk, and caution-caution), one sequence for each of three of the twelve items. Each of the twelve items was paired with each of the four argument sequences for one-fourth of the subjects. The three different risk levels advocated in each argument set were randomly ordered.

For the risk-risk and the caution-caution argument sequences the information contained in the two argument sets was the same. The second set of arguments was slightly reworded and was read by different confederates so that the arguments per se would not sound exactly the same. For the risk-caution and the caution-risk argument sequences, the information contained in each of the argument sets was different.

An example of one of the cautious arguments used for the first of the twelve items was "Staying with his present company means security for him and his family. He will receive a good pension and a good income. I don't think Mr. A should try it unless his chances are at least 7 in 10." The other arguments were similar in length and

content. Following presentation of the three arguments in each set, the subjects were requested to present an argument supporting their own current position. They were told that their responses were being tape recorded for potential use in similar experiments in the future. No such recordings were actually made; the subjects merely presented their arguments into a dead microphone.

The experiment, then, proceeded through three phases: a pretest and two posttests, each following presentation of a group of three-argument sets.

RESULTS

Three separate analyses were performed to test the predictions of the different hypotheses. An overall analysis of variance (items x arguments x trials x subjects) was performed on the subjects' risk preferences to test the predictions of the relevant arguments and the conformity-attitude change hypotheses. Two separate analyses of variance, one for the risk-oriented items and one for the caution-oriented items, were performed to test the predictions of the risk-as-value hypothesis.

The overall analysis revealed two significant main effects and two significant interactions: The items and the arguments main effects [$F(11,704)=17.11$, $p < .01$ and $F(3,64)=18.33$, $p < .01$ respectively], the items x trials interaction [$F(22,1408)=1.78$, $p < .05$] and the arguments x trials interaction [$F(6,128)=27.51$, $p < .01$].

The significant interactions were further analyzed on a post hoc basis using the Newman-Kuels procedure (Winer, 1962). The items

x trials interaction, which just reached significance, shows no significant differences between trials for any one item. Instead, the significant differences were found between items. (This result was not unexpected in the light of the main effect for items and national norms compiled for the items by Pruitt and Teger (1967). Because of these differences, additional analyses were performed on each item individually. Only one item showed a non-significant arguments x trials interaction. Although the items showed different values for the first trial, the changes caused by the arguments tended to be uniform across items. In effect, then, each individual item acted very much like the twelve items analyzed together.

Post hoc analysis of the arguments x trials interaction, shown in Figure 2, revealed that presentation of new information led to a significant shift toward the position advocated by the information. Presentation of information that was not new resulted in non-significant changes. Figures 16 and 2 are nearly identical. This then appears to be strong evidence for the relevant arguments hypothesis, and negative evidence for the conformity-attitude change hypothesis.

Analysis of the risk-oriented items revealed the same results as in the overall analysis, with only minor changes in the value of the F-ratios. Analysis of the two caution-oriented items revealed significant main effects for items [$F(1,64)=5.66, p < .01$] and for arguments [$F(3,64)=4.34, p < .01$]. The arguments x trials interaction was also significant [$F(6,128)=6.80, p < .01$]. Although post hoc differences did not reveal such clearcut findings for the caution-oriented items

as for the risk-oriented items and the overall analysis, the same basic pattern resulted. In half of the conditions where new information was presented, subjects showed a significant shift toward the type of information presented. For the other half of the conditions where new information was presented, the change was in the right direction, and close to significant values. When no new information was presented, no shift resulted. These results strongly support the relevant arguments hypothesis and refute the predictions of the risk-as-value hypothesis.

CONCLUSIONS

Before turning to the hypotheses, a general discussion of the data analysis is in order. Different hypotheses were tested by different analyses. However, all of the analyses of variance showed basically the same pattern, even those performed on the individual items. The most consistent finding in these analyses was the significance of the arguments x trials interaction. Only in the analysis of one of the items did this interaction not reach significance. This finding, that the arguments would have different effects at different trials, was an inherent assumption in this research and was strongly confirmed.

The risk-as-value hypothesis was tested with two analyses, one using only caution-oriented items and one using only risk-oriented items. Risky arguments did affect the subjects' positions on the caution-oriented items, and cautious arguments affected the subjects' positions on the risk-oriented items. It might be argued that when the risky arguments were presented, a value for risk was elicited, and that cautious arguments

likewise elicited a value for caution, regardless of the orientation of the items. This interpretation does not take into consideration that portion of the risk-as-value hypothesis which assumes that subjects are motivated to compare their responses with the other group members to determine whether, in risk-oriented situations, they are as risky or riskier than most of the other group members. When finding that the other members espouse cautious positions, the risk-as-value hypothesis would certainly predict no shift (Figure 1a). The data, however, for items well-documented in their risk- or caution-orientation (Pruitt and Teger, 1967), does reveal a shift in the direction of the arguments presented when the information is new, whether the arguments favor caution or risk. The risk-as-value hypothesis cannot explain these findings.

The conformity-attitude change hypothesis might counter the present results with an explanation of the data that cites the fact that the other "group members" were in fact not committed to their positions, but were merely reading a script. This is a plausible explanation. However, the lack of a second shift in conditions where no new information is presented cannot be explained by the conformity-attitude change hypothesis. (For that matter it can only be explained with difficulty by the risk-as-value hypothesis.)

The only hypothesis which predicts and explains all of the data in this experiment is the relevant arguments hypothesis. Its prediction was an almost perfect representation of the actual data.

New information, whether it supports risk or caution, whether it is given for risk- or caution-oriented items, produces a shift in the direction of the information presented. Information that is not new does not produce a shift. Obviously, these findings are not relevant to other hypotheses that have been presented to account for choice shifts. Further research may determine the capabilities of these hypotheses, including the survivor of the present experiment, the relevant arguments hypothesis. The tests reported here, though, at least show data strongly in favor of one specific hypothesis. It remains for other possible choice shift explanations to surpass the predictions of this hypothesis in future tests.

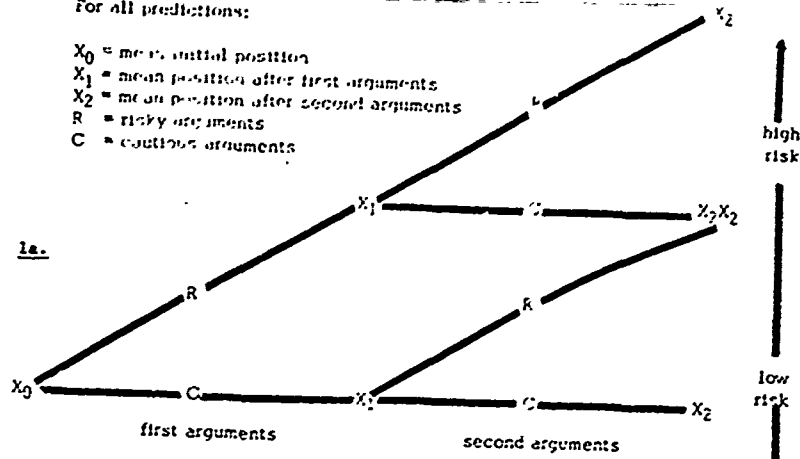
REFERENCES

- Brown, R. Social Psychology. Free Press, 1965, Chapter 13.
- Castore, C. H., & Roberts, J. C. Subjective estimates of relative risk and risk taking following a group discussion. Organizational Behavior and Human Performance, 1972, 7, 125-143.
- Kogan, N., & Wallach, M. A. Risk taking. New York: Holt, Rinehart, and Winston, 1964.
- Levinger, G., & Schneider, D. J. Test of "risk as a value" hypothesis. Journal of Personality and Social Psychology, 1969, 11, 165-170.
- Madaras, G. R., & Bem, D. J. Risk and conservatism in group decision making. Journal of Experimental Social Psychology, 1968, 4, 350-366.
- Pruitt, D. G. The "Walter Mitty" effect in individual and group risk taking. The Proceedings, 77th Annual Convention of the American Psychological Association, 1969.
- Pruitt, D. G. Choice shifts in group discussion: An introductory review. Journal of Personality and Social Psychology, 1971, 20, 339-360.
- Pruitt, D. G., & Teger, A. I. Is there a shift toward risk? If so, is it a group phenomenon? If so, what causes it? The Proceedings, American Psychological Association Convention, 1967.
- Sherif, C. W., Sherif, M., & Nebergall, R. E. Attitude and attitude change: The social judgement-involvement approach. Philadelphia: W. B. Saunders, 1965.
- Vinokur, A. A review and theoretical analysis of the effects of group processes upon individual and group decisions involving risk. Psychological Bulletin, 1971, 76, 231-250.
- Wallach, M. A., & Wing, C. W. Is risk a value? Journal of Personality and Social Psychology, 1968, 9, 101-107.

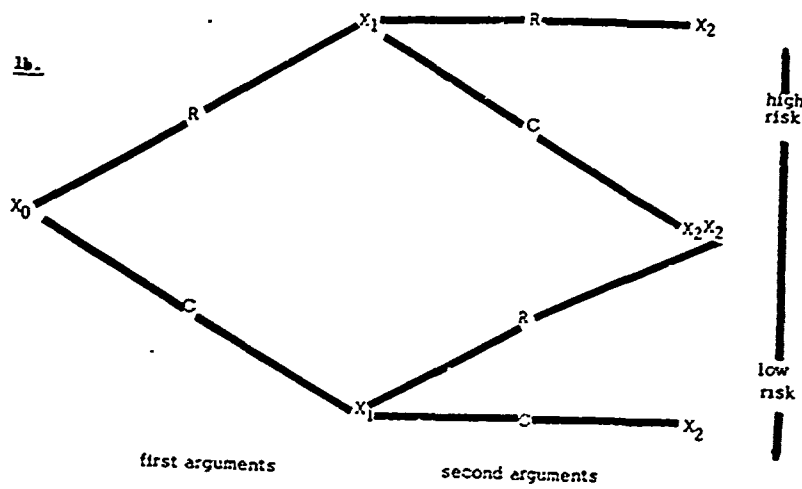
For all predictions:

X_0 = mean initial position
 X_1 = mean position after first arguments
 X_2 = mean position after second arguments
 R = risky arguments
 C = cautious arguments

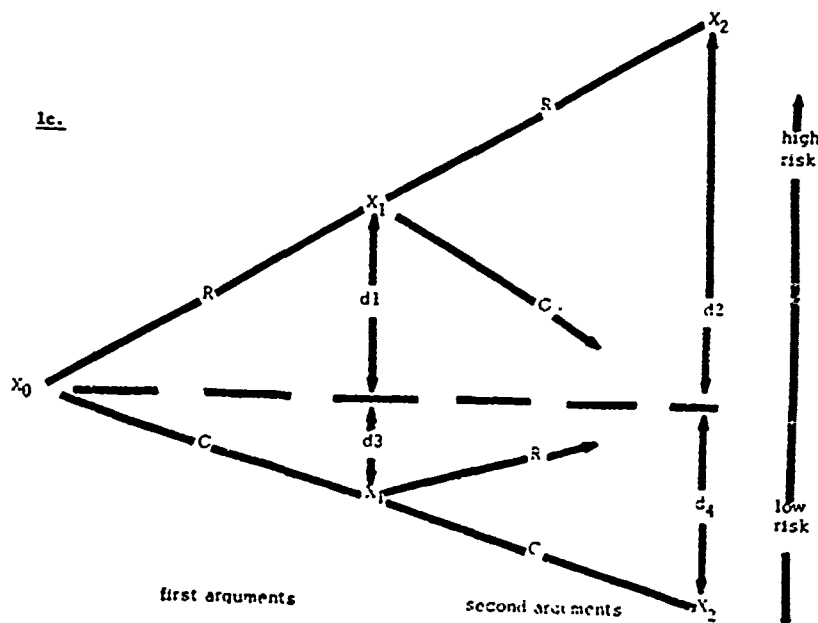
1a.



1b.



1c.



$$d_1 > d_3 \text{ and } d_2 > d_4$$

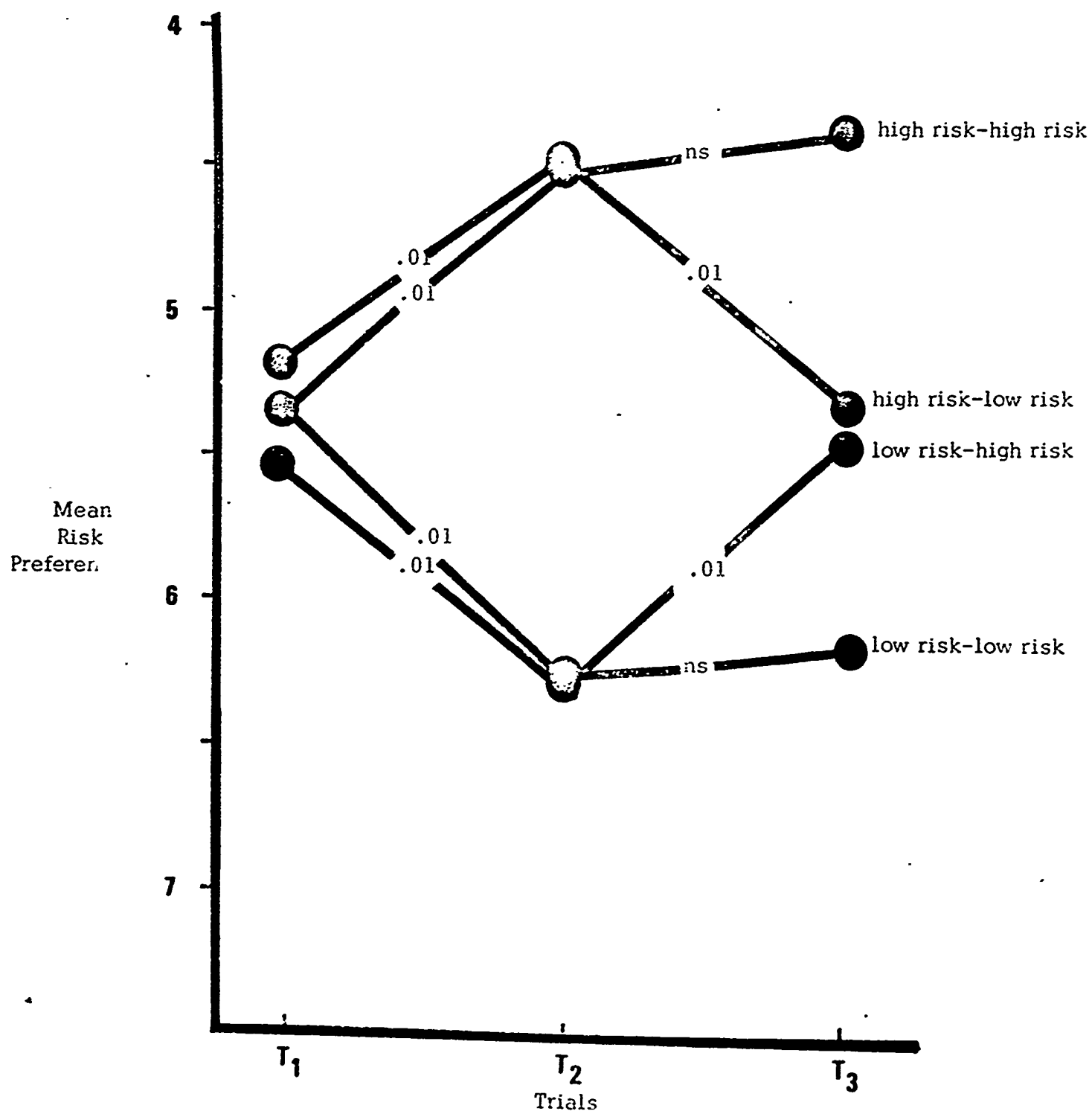


FIGURE CAPTIONS

1. The predictions of the three hypotheses: (a) the risk-as-value hypothesis (for risk-oriented items only; the prediction for the caution-oriented items is a mirror image of this prediction); (b) the relevant arguments hypotheses; and (c) the conformity-attitude change hypothesis.
2. The means of the arguments by trials interaction. Insertion of .01 in the figure indicates significant differences ($p < .01$) between the two connected points using the Newman-Kuels procedure; insertion of ns indicates no significant difference.

Distribution List

Chief of Naval Research (Code 452)
Department of the Navy
Arlington, Virginia 22217

Defense Documentation Center
Building 5
Cameron Station Alexandria
Virginia 22314

Science and Technology Division
Library of Congress
Washington, D.C. 20540

Psychologist
ONR Branch Office
495 Summer Street
Boston, Massachusetts 02210

Psychologist
ONR Branch Office
1030 East Green Street
Pasadena, California 91106

Director
ONR Branch Office
536 South Clark Street
Chicago, Illinois 60605

Research Psychologist
ONR Branch Office
536 South Clark Street
Chicago, Illinois 60605

Dr. Stanley Nealey
Department of Psychology
Colorado State University
Fort Collins, Colorado 80521

Dr. Philip Zimbardo
Department of Psychology
Stanford University
Stanford, California 94305

Dr. Clayton Alderfer
Department of Administrative Sciences
Yale University
New Haven, Connecticut 06520

Dr. David Bowers
Institute for Social Research
University of Michigan
Ann Arbor, Michigan 48106

Dr. Bernard Bass
Management Research Center
University of Rochester
Rochester, New York 14627

Dr. Saul Sells
Texas Christian University
Fort Worth, Texas 76129

Dr. J. Richard Hackman
Department of Administrative Sciences
Yale University
New Haven, Connecticut 06520

Dr. Elliot McGinnies
Department of Psychology
American University
Washington, D.C. 20016

Dr. Fred Fiedler
Department of Psychology
University of Washington
Seattle, Washington 98105

Dr. Paul Spector
American Institutes for REsearch
8555 Sixteenth Street
Silver Spring, Maryland 20910

Dr. Roger Ulrich
Management & Organization Development, Inc.
Box 2321
LaJolla, California 92037

Dr. Milton Blood
Department of Psychology
University of California
Berkeley, California 94720

Dr. Philip Harris
Management & Organization Development, Inc.
Box 2321
La Jolla, California 92037

Dr. Siegfried Streufert
Department of Psychology
Purdue University
West Lafayette, Indiana 47907

Dr. Victor Vroom
Carnegie-Mellon University
Graduate School of Industrial Admin.
Pittsburgh, Pennsylvania 15213

Dr. Paul Lazarsfeld
Bureau of Applied Social Research
Columbia University
New York, New York 10025

Dr. Karlene Roberts
Department of Psychology
University of California
Berkeley, California 94720

Dr. Edgar Schein
Sloan School of Management
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

Director, Personnel Research Division
Chief of Naval Personnel (Pers A3)
Washington, D.C. 20370

Bureau of Naval Personnel
(Pers P1)
Washington, D.C. 20370

Bureau of Naval Personnel
(Pers Pc2)
Washington, D.C. 20370

Clinical Psychology Section (Code 3131)
Bureau of Medicine & Surgery
Washington, D.C. 20390

Commandant of the Marine Corps
Manpower Management Research Section (A01M)
Headquarters, U.S. Marine Corps
Washington, D.C. 20380

Lt. Col. B.E. Clark
S & R Division
Development Center, MCDEC
Quantico, Virginia 22134

Bureau of Naval Personnel
(Pers A3p)
Washington, D.C. 20370

Bureau of Naval Personnel
(Code Pc)
Washington, D.C. 20370

Bureau of Naval Personnel
Technical Library (Pres 11b)
Washington, D.C. 20370

Dr. A. L. Slafkosky
Scientific Advisor
Commandant of the Marine Corps (Code AX)
Washington, D.C. 20380

Office of Civilian Manpower Management
Department of the Navy
1735 North Lynn Street
Rosslyn, Virginia 22209
Attn: Code 024

Commandant of the Marine Corps
Code AX
Headquarters Marine Corps
Washington, D.C. 20380

Dr. M. J. Steckler
Operations Research & Administration
Sciences
Code 552r, Naval Postgraduate School
Monterey, California 93940

Technical Director
U.S. Navy Medical Neuropsychiatric
Research Unit
San Diego, California 92152

Officer in Charge (Code L5)
Naval Aerospace Medical Research Lab.
Naval Aerospace Medical Institute
Naval Aerospace Medical Center
Pensacola, Florida 32512

Commanding Officer
Naval Submarine Medical Center
Naval Submarine Base--New London
Groton, Connecticut 06340

Commanding Officer
Naval Personnel & Training Research
Laboratory
San Diego, California 92152

Chief of Naval Training
Code 0171
Naval Air Station
Pensacola, Florida 32508

Dr. John J. Collins
Assistant Director for Personnel Logistics
Plans (Op 987F)
Office of Director, RDT&E
The Pentagon, Room 4B489
Washington, D.C. 20350

Chief, Naval Technical Training
NAS Memphis (75)
Millington, TN 38128
Attn: LTJG M. D. McCorcle, N4521

Mr. Luigi Petrullo
2431 North Edgewood Road
Arlington, Virginia 22207

Military Assistant for Human Resources
O&A (E&LS) ODDR&E
Pentagon 3D129
Washington, DC 20301

Head, Personnel Management Evaluation
Branch (056)
Office of Civilian Manpower Management
Department of the Navy
Washington, D.C. 20390

Bureau of Naval Personnel
(pers A3)
Washington, D.C. 20730

Human Resources Development Center
Naval Station
Norfolk, Virginia 23511
Attn: Lt. Cdr. Fred Freckmann

Bureau of Naval Personnel
(Pers Oe)
Washington, D.C. 20370
Attn: Cdr. J.J. Clarkin

Lt. Lawrence C. Guido
Human Resources Development Center
Naval Training Center
Code 9000
San Diego, California 92133

CDR R.A. McGonigal, USN
Bureau of Naval Personnel
(Pers Pc3)
Washington, D.C. 20370

Capt. D.L. Banks, Jr., USN
Human Resource Development Center
Pearl Harbor, Naval Station
APO San Francisco 96610

Bernard Gordon
24 Sioux Avenue
Rockaway, N. J. 07866